

**MINUTES OF THE INAGURAL ASSOCIATION of INTERNATIONAL CERTIFIED  
PROFESSIONAL ACCOUNTANTS BOARD MEETING HELD AT DANESFIELD HOUSE,  
MARLOW, ENGLAND ON 30 NOVEMBER 2016 TO 2 DECEMBER 2016**

**IN ATTENDANCE:**

|                         |                          |                                  |
|-------------------------|--------------------------|----------------------------------|
| Andrew Miskin, Chair    | Tim Christen, Vice-Chair | Paul Ash                         |
| Anita Baker             | Bob Beedham              | Mark Begich                      |
| Tom Broderick           | Paul Curth               | Yolanda Deborah Don-Pierrot      |
| Kimberly Ellison-Taylor | Melody Feniks            | Terry Grafenstine                |
| Dan Griffiths           | Eric Hansen              | Andrew Harding, CEO, MA          |
| Nick Jackson            | Ed Jordan                | J. Michael Kirkland              |
| Myriam Madden           | Mandy Nelson             | Barry Melancon, CEO, Association |
| Rick Niswander          | Anne Northup             | Chandana Panditharatne           |
| Margery Piercy          | Bill Pirolli             | Jeffrey Porter                   |
| Amal Ratnayake          | Elaine Richardson        | Chris Schmidt                    |
| Paul Stahlin            | David Stanford           | Mary Stone                       |
| Steve Swientozielskyj   | Louise Taylor            | Ron Yates                        |

**PRESENT:**

Mike Buddendeck, General Counsel  
Lawson Carmichael, Executive Vice President – Strategy, People & Innovation  
Susan Coffey, Executive Vice President – Public Practice  
Fiona Harvey, Executive Vice President – Marketing & Sales  
Janice Maiman, Executive Vice President – Communications, PR & Brand  
Tony Manwaring, Executive Vice President – External Affairs  
Mark Peterson, Executive Vice President – Advocacy  
Anthony Pugliese, Executive Vice President – Membership, Technology & Learning  
Gail Stirling, Executive Vice President – Professional Standards & Conduct  
Noel Tagoe, Executive Vice President – Academics  
Irene Teng, Managing Director – Europe, Africa & Asia  
Arleen Thomas, Managing Director – Americas Market, Global Offerings & CGMA Exam  
John Windle, Chief Financial Officer  
Baljeet Basra, Senior Director Governance and Corporate Affairs  
Heather Collins, Director Governance.

**Action points**

**SESSION 1 – WELCOME AND INTRODUCTIONS**

1. The chairman, Andrew Miskin, welcomed members of the Association of the International Certified Professional Accountants, hereby referred to as the Association, to the shadow Board meeting. This was a historical occasion and members were reminded of the achievements made by CIMA and AICPA to form the Association.
2. Each Board Member and Senior Leadership Team member introduced themselves. The Board was formed as the shadow Board and members were the shadow Board Members for this meeting.

**SESSION 2 – ROLES, RESPONSIBILITIES AND HOW WE WILL GOVERN**

3. The chairman, Andrew Miskin, and vice chairman, Tim Christen, led the

session.

4. The interdependency and connectedness between management accounting and public accounting was recognised, as was the value proposition to members.
5. During the session, members were informed about the governance of meetings. There will be four meetings each year. The Association Board meetings will focus on strategy, enterprise risk management and performance. It will be presumed that any resolutions on the agenda have been proposed and reviewed by the Chair and Vice Chair of the Association and/or PU. Any new proposals require a proposer and seconder and during votes the Chairman will ask if anyone is against a motion.
6. A draft Code of Conduct and a Statement of Board Member Responsibilities was reviewed and discussed. Board Members will declare annually that they have complied with them. The documents encouraged Board Members to speak openly at meetings and to support and advocate decisions made at Board meetings.
7. Spouses would be invited to the London area and New York meetings of the Board. The Association will cover coach travel for one transatlantic journey. However, where the travel is purchased for non-coach travel there will be no reimbursement.
8. The Board had two subcommittees: Audit and Finance, and Remuneration and Talent.
9. The Board adopted the Code of Conduct and Statement of Responsibilities.

### **SESSION 3- REPORT FROM THE CEO**

10. Barry Melancon, Association CEO, presented this session. He reminded Board Members of the single organisation that had been formed.
11. The pace and scale of change was discussed; it was being challenged by the level of political unrest. Governments are likely to think about the role of businesses. The professions have been supported by regulatory requirements but these requirements slow down the ability to change. The Association is not tied to regulatory matters enabling flexibility to respond to change.
12. To succeed in bringing about change it was important to advocate its need to members. The Association also needs to support members in their roles by, for example, giving them information they can use in developing businesses and taking them through change and thereby survive in their roles. The manner in which information is disseminated to members must to meet their needs. A document would be developed to enable Board Members to disseminate information to

EVP PR,  
Communi-  
cations & Brand

members consistently.

13. Strategically the Association needs to think about the future markets it needs to occupy; instances where it needs to form a marketing relationship rather than a strategic relationship; recognise its competitors are not other accountancy bodies. It was important to think about the future and future members, such as responding to the learning needs of generation Z.

EVP – Strategy,  
People &  
Innovation

Mark Peterson, Executive Vice President – Advocacy, presented on the outcome of the US election of Donald Trump. An analysis of individuals to whom the President-elect was speaking indicated that future actions of the US Government should be favourable to the strategic direction of the Association. The government was likely to bring comprehensive tax reforms and regulatory reform. The Association would monitor how much reform the market can bear.

15. The CEO's closing comments were:
- i. Member feedback needed to be systemized and acted upon.
  - ii. The ability of the AICPA to maintain its position in the market was an important strategic matter.
  - iii. The Association must be entrepreneurial: the pursuit of perfection is the enemy of progress.
  - iv. The formation of the Association placed it in a fortunate and proud position with an ability to make phenomenal achievements while maintaining ethical standards.

#### **SESSION 4 – CGMA AND CPA EXAMS AND THE PROCESS TO BECOME A CPA AND CGMA**

16. Arleen Thomas, Managing Director - Americas Market, and Susan Coffey, Executive Vice President – Public Practice, presented on the CPA and CGMA qualification schemes.
17. There was a comprehensive process to develop and regularly review the CGMA syllabus. It was being promoted in the US market as a product that supports businesses. The qualification covers the operational, management and strategic level. There were a number of pathways into the qualification and examinations were delivered at Pearson Vue centres. Once a person had completed the examinations they complete 3 years' practical experience before applying to be a Fellow.
18. The CPA program differs from the CGMA exam. The state government issues the CPA credential in the form of a license and a brand has been established with a value that extends beyond regulated services. The reputation of the CPA pathway is prominent among students. While the AICPA works with NASBA and Prometric to deliver the CPA exam, they do not own the brand. The AICPA does a tremendous amount to advance the brand.

## **SESSION 5 – OVERVIEW OF BUSINESS MODELS: SIMILARITIES AND DIFFERENCES**

19. Andrew Harding, CEO of the Managerial Accounting Professional Unit (MA PU), and Anthony Pugliese, Executive Vice President – Membership, Technology & Learning, outlined that the business models of AICPA and CIMA are complementary. The business model must be considered in the context of the environment; there was limited ability to influence the wider external environment.
20. The Association had set up key business drivers. This presentation focused on two business drivers: continuing professional education and member engagement. The context of these two drivers and members' perceptions of them were different between public accounting and management accounting members. The objective was to increase member value.
21. Continuing professional education could take an input or outputs based approach. The longer term, strategic view is to position CPD as "output" based. Courses were tailored to market and customer requirements. This area of work generated \$70m for public accounting and \$5m for management accounting courses.
22. The objective of the member engagement business driver was to improve retention rates.

## **SESSION 6 – OPENING THE US MARKET TO CGMA**

23. Arleen Thomas, Managing Director - Americas Market, presented this session. Board Members were informed that this was a commercially confidential presentation.
24. Opening up the US market to CGMA involved taking an existing product into a new market. There had been significant investment in this area to develop a framework for achieving this strategy. Building up the pipeline was a long term strategy and it was expected that it would take 3 years to generate return on investment.
25. The strategy included understanding customers and developing strategic partnerships, such as with the State Societies and we are targeting 10 such partnerships at launch. The academic strategy involved building up awareness and demand with Universities.
26. Market research had confirmed that the CGMA competencies are what firms and employers require and the route was being launched for people who have university undergraduate degrees in business and finance, with the benefit of flexible pathways. Demand will be built up by pushing the CGMA to firms and seeking support for it from large firms.
27. Research also showed that the way people are learning is changing and therefore learning will be embedded into the assessment.

## **SESSION 7 – SENSING, SEIZING, SHAPING: KEY TRENDS IMPACTING THE PROFESSION AND OUR ROLE IN THE FUTURE**

28. Lawson Carmichael, Executive Vice President – Strategy, People & Innovation, offered insights on the key environmental trends impacting the profession and our role in the future.

Technology is a key driver of transformation and underpins the Association's business model. Blockchain technology has the ability to alter the way business transactions are conducted. As blockchain technology evolves, the profession could see opportunities to leverage this technology, increase in Audit Quality and better business decision-making with the reduction of redundancies and inefficiencies.

Leadership, strategic planning and data analytics are top skills needed to support main business priorities.

## **SESSION 8 – THE FUTURE LANDSCAPE OF ASSURANCE**

29. Susan Coffey, Executive Vice President – Public Practice, reviewed elements of a quality engagement. Outlining the continually changing professional and regulatory models, Board members were presented with what is at risk and how we can shape, lead and develop solutions.

The data analytics research initiative was presented and data analytics projects were discussed. Cyber security and technology based tools were also reviewed.

Additionally, Sue discussed the Future of Practice Monitoring which is the best framework for risk management and best practice.

## **SESSION 9 - CREATING THE ASSOCIATION BRAND AND MEMBER EXPERIENCE**

30. Janice Maiman, Executive Vice President – Communications, PR & Brand, presented this session. She outlined the importance of the brand, the strategic platform that it provides, the signals it sends to the market place about the Association and the importance of how people interact with the brand.

31. Board Members were informed about the process that had been undertaken towards development of the Association brand. The purpose of the exercise had been to ensure the brand represented members and students and would be seen as a badge of pride by them; enabled differentiation from other bodies; gave a signal of change; and demonstrated the Association as being a visionary, dynamic and influential organisation. Testing stages had confirmed that the proposed brand met the elements of brand personality that were being

sought. These included an organization with one voice and unified narrative. The brand colour, purple, signaled a forward thinking and dynamic organisation.

- 32. There would be a second round of testing before the brand was finalised. Once established the brand would be protected by trademarks and materials with the new brand would be launched from quarter 1 of 2017. The brand needed to appeal globally. EVP,  
Communications,  
PR and Brand
- 33. The Board endorsed the direction of travel on the development of the brand.

### **SESSION 10 - LEGAL UPDATE**

- 34. Mike Buddendeck, General Counsel, presented this session. He informed the Board that bylaws and legal documents had been developed, which reflected the master agreement, and the Association had been registered as a not for profit entity in Washington DC, with four Incorporators who will install the Association Board Members in January 2017. The Incorporators were the Chair and Vice Chair of the Board, the CEO of the Association and the CEO of the MA PU.
- 35. The Association's corporate officers were the Chair and Vice Chair of the Association, the two CEOs and the Chair of the Audit and Finance Committee. Its' financial year will be the calendar year and bank accounts will be opened with Wells Fargo and Barclays Bank. An application was being prepared by CohnReznick for the Association to have tax exempt status. The application would be reviewed by Pillsbury Law. The London and New York offices would be designated as the offices for the Association.
- 36. The Articles and Bylaws of the Association reflect the JVE agreement. The Board would be asked to adopt these documents at its January 2017 meeting and it could agree amendments by a 2/3 majority vote, except for items reserved to the AICPA and CIMA. They would be asked to designate the officer positions for the Association at that meeting also.
- 37. The Board was informed that directors and officers insurance was in place for Board Members. It was agreed that Mike will provide a note to Board Members outlining directors' duties under US law. General Counsel
- 38. Members had been appointed to the Board under transitional arrangements which will end by summer 2018. The CIMA Honorary Officers and AICPA Senior Volunteer Leaders would not vote during the transitional period so that there were 32 voting members only to align to the size of the Board.
- 39. Board Members indicated that they were satisfied with the proposed resolutions and were minded to approve them at the January 2017 meeting.

## **SESSION 11 – THE ASSOCIATION’S STRATEGY AND KPIS**

40. Lawson Carmichael, Executive Vice President – Strategy, People and Innovation, presented this session. He stated that the objectives for the Association were to strategically position public and management accounting and the CPA and CGMA as the preeminent designations globally; create a global voice for advocacy; create a sustainable global platform for members, growth of the profession and talent of the future; and drive operational performance to reinvest in the profession and members.
41. He was creating an Association wide annual plan, which took into account the AICPA’s and CIMA’s existing strategic plans.
42. In January 2017, work would begin to create a 3-year plan for 2018-2020. There would be external market analysis, board input, member and student input, regional member input, and councils and board workshops to inform the development of strategic choices. In November 2017, the Board would be asked to approve the 3-year plan which would include key performance indicators and measures, including on growth and profitability.
43. The strategic plan for 2017 covered four strategic initiatives and PU specific initiatives. The KPIS for this strategy in some instances were being finalised. The Board Members agreed with the document. Formal approval would be sought at the January 2017 meeting.

## **SESSION 12 – REPORT FROM THE AUDIT COMMITTEE AND BUDGET APPROVAL**

44. Eric Hansen, Chair of the Audit and Finance Committee, and John Windle, Chief Financial Officer, presented this item.
45. The Board was informed that the Committee will be referred to as the Audit and Finance Committee.
46. The business plan would be linked to the strategic objectives through the KPIS into the value chain. The categories of the plan were outlined to the Board. Acquire was about attracting new students; deepen was about educating the student base; retain was about membership population and promoting member engagement; and fulfil was about members becoming advocates of the organisation and driving the value chain. Reputation and research and creating pride in the brand spanned across the value chain.
47. The Board was reminded of the three value drivers: to create one organisation; open up the US market; and globalising CPD.
48. The ongoing operating plan achieved breakeven. Investment and

expenditure would be drawn together to form investment into the value drivers. The Board was informed that the strong business model and revenue flows would help generate cycles of reserves for future investments.

49. The Board would be asked in January 2017 to approve the calendar year 2017 budget which included a break-even operating budget and an additional investment in the three strategic value drivers of the Association for an overall net deficit of \$10m.

**SESSION 13 – GLOBALISING CPD STRATEGY**

50. Anthony Pugliese, Executive Vice President – Membership, Technology & Learning, shared the priorities, strategies, risks and mitigations of Globalizing CPD with the Board.

Strategic priorities include scaling a B2B model, expanding product research, developing new products and increasing global sponsorship. Risks and mitigations of globalization were reviewed and discussed as well.

Next steps for globalizing CPD include formalizing project plans, addressing technology dependencies, delving into understanding, developing marketing tactics, and embracing bias for action. Overall, Globalizing CPD will create unity in how the Association approaches potential customers.

**The meeting adjourned at 13:30.**

# Association of International Certified Public Accountants

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## Public Accounting Professional Unit (PA PA) and AICPA Board of Directors

### Minutes of Meeting: December 1, 2016

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A meeting of the Public Accounting Professional Unit (PA PU) Board of Directors was held Thursday, December 1, 2016 at the Danesfield House in Buckinghamshire, England. The meeting convened at 3:15pm on Thursday, December 1, 2016.

## Attendance

The following Board members were present:

Kimberly Ellison Taylor, Chairman  
Eric Hansen, Vice Chairman  
Anita Baker  
Mark Begich  
Tom Broderick  
Paul Curth  
Terry Grafenstine  
Dan Griffiths  
Melody Feniks  
Myriam Madden  
Barry Melancon  
Anne Northup  
Margery Piercey  
Jeff Porter  
Bill Pirolli  
Chris Schmidt  
Mary Stone  
Ron Yates

Also present:

Michael Buddendeck, General Counsel & Secretary  
General Counsel  
Lawson Carmichael, Executive Vice President  
Strategy, People & Innovation  
Susan Coffey, Executive Vice President  
Public Practice  
Heather Collins, Director  
Governance  
Tim LaSpaluto, Vice President  
Finance, Association & Public Accounting  
Janice Maiman, Executive Vice President  
Communications, PR & Brand  
Mark Peterson, Executive Vice President  
Advocacy  
Anthony Pugliese, Executive Vice President

## **Chairman's Report**

Kimberly Ellison-Taylor, Chairman of the Board, opened the meeting by welcoming the Board members.

As the first meeting of the Public Accounting Professional Unit Board of Directors, Ms. Ellison-Taylor expressed excitement on the evolution of the joint venture and the historic magnitude of this accomplishment.

## **Approval of the Minutes**

After discussion, upon a motion duly made and seconded, the minutes of the August 4, 2016 AICPA Board of Directors executive session meeting and the August 4-5, 2016 regular Board meeting were approved.

The regular meeting minutes were authorized for placement on the AICPA's website.

## **CEO Report**

Barry Melancon, CEO, began his report with a follow-up from Sue Coffey's, Executive Vice President – Public Practice, presentation on Audit of the Future noting there is strong interest in developing a dynamic, integrated, technology-based audit solution for the marketplace. A discussion among the board members and Sue Coffey included a more detailed description of a proposed solution, possible technology partners, risks to the profession and the Association/AICPA of developing and not developing a solution as well as alternatives, and next steps. There was general support for continuing to explore how we might achieve the objective.

Mr. Melancon provided an update on international partnerships, particularly their interest in our credentials, and advised the board that in January, we'd be recommending they

adopt a resolution that would open up AICPA credentials to non-US accounting bodies that are members of GAA or have a MRA with AICPA or CIMA. A recommendation will be presented to the Board in January.

Mr. Melancon reviewed three motions for the Uniform Accountancy Act which were all seconded and approved.

Mr. Melancon gave an overview of the proposed resolution regarding the AICPA Board's endorsement of the work of the Joint AICPA/NASBA CPE Standards Committee on the Fields of Study, and its further endorsement of the proposed additions to the UAA Model rules. After discussion, upon a motion duly made and seconded, the Board approved the following resolution on Uniform Accountancy Act:

WHEREAS, The Board of Directors approved exposure of proposed amendments to the Uniform Accountancy Act (the "UAA") related to retired CPAs and endorsed exposure of proposed amendments to UAA Model Rules related to retired CPAs; and

WHEREAS, The Board has reviewed proposed amendments to be made to Section 6(d) of the UAA statute and to UAA Model Rules related to retired CPAs that were made as a result of the exposure process;

NOW BE IT RESOLVED, That the Board of Directors hereby approves the proposed amendments to Section 6(d) of the Uniform Accountancy Act and directs that the UAA statute be revised as set out in the material provided to the Board; and

BE IT FURTHER RESOLVED, That the Board supports the joint work of the AICPA and NASBA UAA committees in connection with retired CPAs and hereby endorses the proposed language in the proposed amendments to UAA Rule 6-7 that were provided to the Board.

Mr. Melancon concluded his report with a discussion of the use of InLine XBRL to make data more machine readable, as well as the well-received Firm inMotion toolkit.

## Advocacy & Washington, DC Update

Mark Peterson, Executive Vice President — Advocacy updated the Board on developments in Washington, DC. Mr. Peterson reviewed several topics of interest to the CPA profession. Mr. Peterson reported on the outcome of the recent election results, including the cabinet selection, CPAs serving in the house, Congress, and in the Senate, as well as other professional issues. He also updated the Board on Department of Labor changes to overtime, IRS service issues, and status of mobile workforce legislation.

## Secretary's Report

Michael Buddendeck, General Counsel and Secretary, delivered the Secretary's Report (reflecting membership ballot Nos. 975, 976, and 977 for the time period of 7/20/16 to 11/20/16 admitting 7,388 members, accepting 623 resignations, 624 reinstatements and 503 advances of dues). Upon a motion duly made and seconded, the Board accepted the Secretary's Report, which is attached under **Appendix A** of the meeting minutes.

Mr. Buddendeck then provided the Board with a legal update.

## Annual Statutory Meetings of AICPA Benevolent Fund, Foundation and Accounting Research Association

Tim LaSpaluto, Vice President – Finance, began his presentation by explaining the purpose of the annual statutory meeting. He noted the AICPA Board are members of the respective funds including the Accounting Research Association (ARA), the AICPA Foundation and the AICPA Benevolent Fund and that per the by-laws, a meeting of the members of the fund is to be held annually. He provided an update on the operations over the past fiscal year ended July 31, 2016 for each of the respective funds.

Further, Mr. LaSpaluto noted recent appointments to the respective funds noting the following: For ARA, the officers of the Fund are: Kimberly Ellison-Taylor – President, Eric

Hansen Vice President, Barry Melancon – Secretary/Treasurer, Tim Christen – Assistant Treasurer. For the AICPA Foundation and AICPA Benevolent Fund, Mr. LaSpaluto noted Mary Stone and Tom Broderick as Board liaisons for the Foundation and Benevolent Fund, respectively.

Mr. LaSpaluto then referenced the by-laws of the respective funds and the proposed changes which each member received in advance. He reviewed the proposed amendments and explained the changes. Ms. Taylor requested a motion to approve the changes. A motion was made, seconded and approved.

## **Public Accounting Professional Unit Strategy, KPIs and Budget Review**

Lawson Carmichael, Executive Vice President – Strategy, People & Innovation, and John Windle, CFO, presented the approach for the 2017 Strategic Plan highlighting the combination of both legacy AICPA and CIMA strategic plan input.

Mr. Carmichael discussed the proposed Public Accounting Professional Unit Strategic Initiatives and proposed Key Performance Indicators (KPIs). There was input on additional KPIs to consider including number of employer relationships established and interest to understand the Year over Year performance.

Mr. Windle continued by presenting the 2017 Budget for the Association of International Certified Professional Accountants (the Association). Additional education around value driver activity will be presented to the board at an upcoming meeting. The Board would be asked in January 2017 to approve the calendar year 2017 budget which included a break-even operating budget and an additional investment in the three strategic value drivers of the Association for an overall net deficit of \$10m.

After discussion, the Board recommended formal approval of the proposed FY17 Strategic Plan at the January 2017 meeting.

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There being no further business, the meeting adjourned at 5:40pm.